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Executive Privilege  
64-6641

5 February 1964.

MEMORANDUM FOR: D/BPAM

1. I spoke to Secretary Vance yesterday afternoon about the attached agreement for responsibility for equipment on loan between CIA and DOD. He understood what the problem was and was totally agreeable to having the agreement mutually worked out with Mr. Hoover. He thought it would be better (and so did I) if the new draft agreement were given to him and to me concurrently after it had been worked out at the Comptroller and Budget level and we can inject our own additional ideas, if any, at that point.
2. Please get together with Mr. Hoover and have the agreement altered in the manner we discussed yesterday. If you run into any problems, let me know soonest before a crunch develops.

Marshall S. Carter  
Lieutenant General, USA  
Deputy Director

Original - Addressee

- (1) - DDCI
- 1 - Executive Director
- 1 - General Counsel
- 1 - DD/P
- 1 - SOD/DDP
- 1 - ER
- 1 - DD/S

LEO 11 TOWNS LN

Executive Agency  
CIA-661/e

1/28/64 SP

The Honorable Cyrus R. Vance  
Deputy Secretary of Defense  
Washington 25, D. C.

Dear Mr. Secretary:

I have signed for Mr. McCone the attached agreement which provides ground rules on the financial responsibility for loss of major equipment loaned between our organizations.

The Department's proposal would seem to restrict application of paragraph one of the agreement to paramilitary operations or similar programs approved by the Special Group (Counterinsurgency). I have inserted into the agreement in place of Special Group (Counterinsurgency) the Special Group 5412/2. I believe we are agreed that the ground rules should apply to the actions authorized by the primary authority which is the Special Group 5412/2.

Paragraph two of the agreement covers all other situations where equipment is actually loaned to another agency or department. There will, of course, be occasions when equipment will be used in a joint effort without an actual loan, in which the burden of extraordinary or additional costs will have to be negotiated.

Faithfully yours,

Marshall S. Carter  
Lieutenant General, USA  
Acting Director

Attachment

Agreement between SecDefense  
and Director, Central Intelligence

O/BPAM/JMClarke: vgd 28 Jan 64

Distribution:

orig and 1 - addressee w/orig of agreement

① - Acting DCI

1 - ExDir-Compt

1 - ExRegister w/basic and copy of agreement

1 - Dir/BPAM

<b>TRANSMITTAL SLIP</b>		DATE
<b>TO:</b> <i>Gen Carter</i>		
ROOM NO.	BUILDING	
REMARKS:		
<b>FROM:</b>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55REPLACES FORM 36-8  
WHICH MAY BE USED.

GPO : 1957—O-439445

(47)

**TOP SECRET**  
(CLASSIFICATION)

Handle Via Indicated Controls

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